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Letter No. 2191

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IMPROVEMENTS
IN REPORTING
PROCEDURES

Sec'y of Agriculture John R. Block announced two actions to improve the crop and livestock statistical and economic reports issued by the USDA. In response to users' concerns about the quality and timeliness of these reports, USDA will form an outside review panel of recognized experts in statistical methodology and economic analysis. This group will make final recommendations to Block by May 1. Beginning in January, all monthly reports dealing with domestic and world crop production, stocks of U.S. crops, and worldwide supply and demand estimates will be issued on the same day during the second week of each month. Statistical Reporting Service reports--including Cattle on Feed, Hogs and Pigs, Cattle Inventory, Cold Storage, and Livestock Slaughter--will be issued on the same day during the third week of the month.

FARM INPUTS
FOR 1985

Farm pesticide use in 1985 could range from 500 to 545 million pounds active ingredient, compared with around 507 million in 1984, according to the U.S. Department of Agriculture. Farm machinery purchases are expected to show little change from the depressed forecast of \$7.4 billion in 1984. Fertilizer use is expected to be up about 2 pct. in 1984/85, with prices reflecting a stable fertilizer supply-demand situation. Farm energy use in 1984 is forecast to climb 7 pct. from last year, as most of the PIK-diverted acreage was returned to production. Farm prices for gasoline, diesel, and LP gas are projected to be mostly unchanged in 1985.

U.S. AND USSR
COOPERATING
SCIENTIFICALLY

Sec'y of Agriculture John R. Block and Soviet Minister of Agriculture Valentin K. Mesyats announced action leading to the resumption of meetings, exchanges and joint work under the U.S.-USSR Agreement on Cooperation in Agriculture. Said Block, "I have directed Under Sec'y Dan Amstutz and Ass't Sec'y Orville Bentley to prepare with their Soviet counterparts the reactivation of the agreement and design a new program of joint activities."

GLOBAL ECONOMY
TO GROW 3.0
to 3.5%

Global economic growth may slow to 3.0 to 3.5 percent in 1985, assuming slower U.S. expansion than this year and weak demand in most foreign industrialized countries. According to the U.S. Department of Agriculture, world economic growth in 1984 has exceeded 4 pct., the highest rate since 1976. Led by first-half U.S. expansion of 8.6 pct., the fastest clip in 30 years, the rest of the world may average 3.2 percent for this year. The U.S. dollar's exchange value peaked in mid-Oct. It may continue to inch down through early 1985, reflecting lower U.S. interest rates. If interest rates rise next year, the dollar could strengthen again.

FARM OUTLOOK:
EXCITING? OR
FRIGHTENING?

The following are some excerpts from the speech of Sec'y of Agriculture John Block at the Outlook Conference: "This outlook presents a future which some would say is exciting--while others might claim it is frightening...This particular outlook shows farmers and ranchers in this country using even more sophisticated techniques...becoming even more efficient...and even more productive. We hope to have a proposed bill ready for transmittal to Congress by the end of January." Here are five of the goals and objectives being included in the farm bill... "First, this farm legislation would be long term in design... Second, we need a market-oriented bill... Third, we need consistency...among commodity programs and other agricultural policies... Fourth, the legislation should provide for an orderly transition period of, say five years, through all commodity programs, as well as on other programs ... My fifth point is equity. At the end of the transition period, producers under the commodity programs will be dealt with in a fair and equitable fashion."

WHEAT EXPORT
FORECAST

The estimate of U.S. wheat exports for June-May 1984/85 has been reduced by 1.4 million tons to 41.5 million tons. According to the U.S. Department of Agriculture, this reflects not only a recent slowdown in U.S. sales, but expected increased competition from other exporters such as India and Argentina. Shipments of U.S. wheat for the week ending Nov. 22 showed a 25 pct. decline from the previous three week average. The main reason was that shipments to the Soviet slowed from the exceptional rate of previous weeks. Cumulative shipments of wheat are still well ahead of last year's pace.

U.S. CORN
& SORGHUM
EXPORT
FORECAST

The projected Oct.-Sept. 1984/85 U.S. corn export forecast was decreased to 52.7 million tons. According to the U.S. Department of Agriculture, this decrease was due to lower demand from South Africa and increases in production of coarse grains in the European Community and some major importers. The projection for 1984/85 U.S. sorghum exports remains unchanged from last month at 6.4 million tons.

EXPORTS UP -
VALUE DOWN

U.S. agricultural exports are projected to decline to \$36.5 billion in fiscal 1985, down 4 pct. from fiscal 1984's \$38 billion, according to the U.S. Department of Agriculture. Export volume--mostly feed grains--is forecast to increase 4 pct. to 149.5 million metric tons. Lower prices for many commodities will account for the decline in the overall export value. Agricultural trade balance for this fiscal year is forecast at \$17.5, down 8 pct. from the previous year.

AG. TRANSPOR-
TATION
MEETING

Federal and State officials will consider deregulation, highway costs, exports and other issues and problems related to the transportation of agricultural commodities at a conference on Jan. 8 and 9 in Alexandria, Virginia, according to the U.S. Department of Agriculture. Also attending will be farm commodity group representatives, state extension specialists and transportation industry officials. (For more info., contact Ronald P. Vail, Office of Transportation, Auditors Bldg., Room 1405, USDA, Washington, D.C. 20250. Telephone: 202/447-7690.)

LOAN INTEREST
RATE LOWERED

The commodity loans disbursed in December by the U.S. Department of Agriculture will carry a 10-1/8 percent interest rate. The new rate is down from 11-1/4 percent.

FROM OUR TELEVISION SERVICE "U.S./USSR Announce Reactivation Exchange Agreement"...Soviet Minister of Agriculture Mesyats visits Secretary of Agriculture John Block on his farm, and joins Block in announcing the reactivation of an agreement to exchange technologies. Jim Johnson interviews. (266)

"Cotton and Wool Outlook"...Record cotton yields this year and declines in mill use will boost stocks of U.S. cotton. USDA economist Terry Townsend focuses on factors contributing to this outlook. DeBoria Janifer interviews. (267)

"Farm Population"...Statistics reveal that the majority of people who work on a farm, don't live on the farm. USDA analyst Calvin Beale talks about the driving force behind this reduction. DeBoria Janifer interviews. (268)

"U.S. Honey Industry"...Harry Sullivan with USDA's Agricultural Stabilization and Conservation Service comments on the rise in honey stocks over the years and how it will affect the U.S. honey industry. DeBoria Janifer interviews. (269)

"China--An Emerging Agricultural Giant"...A cotton crop of 25 million bales and a grain harvest of 400 million metric tons makes China this year's number one producer of wheat, rice and cotton. USDA agricultural counselor in China, Norman Kallemeyn discusses this agricultural revolution. DeBoria Janifer interviews. (270)

PRICES RECEIVED INDEX DOWN The November All Farm Products Index of Prices Received by Farmers decreased one point--0.7 pct.--from Oct. to 137 pct. of its Jan.-Dec. 1977 average, according to the U.S. Department of Agriculture. In the Index, lower prices for oranges, lettuce, corn, grapefruit, and tomatoes were partially offset by higher prices for hogs, eggs, cattle, potatoes and turkeys. The index was 2 points--1.5 pct.--above a year ago.

PRICES PAID INDEX UNCHANGED The Index of Prices Paid by Farmers for Commodities and Services, Interest, Taxes, and Farm Wage Rates for November was 164 pct. of its 1977 base, according to the U.S. Department of Agriculture. The index was unchanged from October. Declines in the feeder livestock and fuels and energy indexes were offset by increases in the family living and autos and trucks components. Compared with a year earlier the index was up 2 points--1.2 pct.

FERTILIZER CONSUMPTION UP 20 PCT. IN '84 Fertilizer consumption in the U.S. and Puerto Rico during the year ended June 30, 1984, totaled 50.2 million tons, up 20 pct. from the 41.8 million tons consumed during the 1982-83 years. The five leading States in order of total consumption and the change in consumption from the year ended June 30, 1984 were: Illinois, up 29 pct.; California, up 23 pct.; Iowa, up 42 pct.; Texas, up 22 pct.; and Indiana, up 18 pct.

GRAIN PRODUCTION IN W. GERMANY The total grain production in the Federal Republic of Germany for 1984/85 is estimated at a record 26.3 million tons, 14 pct. above last year's harvest, according to the U.S. Department of Agriculture. Wheat production is estimated at a record 10.1 million tons, an increase of 13 pct. from last year, while total coarse grain production is estimated at a record 16.2 million tons, 16 pct. above 1983/84. The average wheat yield for 1984/85 is estimated at a record 6.24 tons per hectare, 14 pct. above the previous record of 1982/83.

OFF MIKE

Sec'y of Agriculture John Block was host to the Soviet Minister of Agriculture Valentin Mesyats on the Block Farm in Knox County, IL Dec. 1. A number of media people were there to document the goings-on, including three farm broadcasters: Jack Stower (WDZ/WDZQ, Decatur, IL), Max Molleston (WHBF, Rock Island, IL) and Stu Ellis (WSOY, Decatur, IL). We were there, too, and were mighty thankful for the sun-shiney day that made a lot of standing around pleasant ... Our Brenda Curtis-Heiken is the new president of the National Association of Government Communicators. Needless to say we are mighty proud ... Steve Bell (Extension Editor-Visual Communications, Univ. of Georgia) wrote to add some information to an earlier item we had in this column. He pointed out that the Best TV Program Award in the National Farm Bureau Information Awards program is called the Georgia Farm Report. The show is produced by Georgia Public Television in conjunction with Georgia Farm Bureau and the Georgia Extension Service. Jimmy Lee of Georgia Farm Bureau fills half the show and Steve and company fill the rest. Thanks, Steve, for giving us the full picture ... Going back to the NAFB meeting in Kansas City, one anecdote needs telling. Kelly Lenz (WIBW, Topeka, KS) took someone to the airport on Sunday after the meeting concluded. Well, that was the day when the 747 with the shuttle space craft riding piggy back landed at the Kansas City airport. Police estimated there were 50,000 out to see the arrival. And Kelly reports, "It seemed like all 50,000 were traveling to the airport one to a car!" You get the feeling from that comment that there was a crush of traffic ... Paul Simpkins, who was farm director at WBAM, Montgomery, AL, from the time the station signed on 30 years ago, reports the station has been sold to WLWI, Montgomery. Last word was that Paul was negotiating several offers in the Montgomery market to continue in farm broadcasting.

FROM OUR RADIO
SERVICE

AGRICULTURE USA #1436...(Weekly 13½ min documentary) An overview of the 1985 Outlook Conference. Doug Wakefield moderates.

AGRITAPE/FARM PROGRAM REPORT #1425...(Weekly reel of news features) USDA news highlights; Issuance of deficiency payments to crop wheat and barley producers and the payment rates; A quality leap for soy protein; The fate of the grape industry; Food for Africa.

CONSUMER TIME #918...(Weekly reel of five 2½-3 min features) Most Americans face good economic times; Some sensible party food; Lactose-free ice cream; American wine tastes; U.S. responds to African food crisis.

USDA RADIO NEWS SERVICE...Fri, Dec. 14, Cattle on feed, Milk production; Mon, Dec. 17, World cotton situation, World oilseed situation; Wed, Dec. 19, Dairy situation. Dial the USDA National News Lines 202/488-8358 or 8359. All material changed at 5 p.m. EST each working day.



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